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## **INTRODUCTION**

Oakland Family Services (OFS) entered into contract #COUN-06-99312 with the Michigan Department of Human Services (DHS). Under the counseling contract OFS was to provide individual and family counseling services to the referred client and/or family or other persons significant to the client for services identified in the referral. OFS provides services at the contractor's facility. This contract covers the period April 1, 2006 through March 31, 2007 and has an open ended contract amount. OFS was reimbursed for units of service provided, through submission of monthly billings to DHS.

## **SCOPE**

The Office of Internal Audit performed an audit of OFS for the period April 1, 2006 through March 31, 2007. The purpose of our audit was to determine if their billings were accurate, the units billed were allowable per the terms of the contract and properly supported by the accounting records and other supporting documentation. We also reviewed case files and other service documentation to determine if OFS had all necessary information on file to document that they provided the required services to eligible clients.

## **EXECUTIVE SUMMARY**

Based on our audit, we concluded that OFS had areas of non compliance with the contract. The monthly progress reports were not prepared and submitted to DHS on a monthly basis as required by the contract and one unit was billed and paid for services of a therapist not certified by DHS. OFS uses an electronic case file program to document counseling dates, progress notes, assessments and other case documentation used to prepare the billings. The system internal controls are adequate to ensure that services are properly documented, reviewed and billed.

Our report recommends that the Field Operations Administration (FOA) instruct OFS to complete and submit Monthly Progress reports to DHS timely, and verify that all therapists providing services are certified by DHS for that contract period.

### **AGENCY RESPONSE**

The management of Oakland Family Services has reviewed the finding and recommendation included in this report. They responded in a letter dated September 4, 2007 that they are in general agreement with the report, and that corrective action plan has been put in place to ensure full contract compliance.

### **FINDINGS AND RECOMMENDATIONS**

#### **Monthly Reports**

1. OFS therapists did not always complete the Monthly Progress Reports and submit them to DHS on a monthly basis. The contract requires the therapists to submit to DHS monthly progress reports due within 30 days following the reporting period. In 5 out of 23 (22%) cases tested, one or more monthly reports were not completed and submitted timely.

WE RECOMMEND that FOA instruct OFS to submit monthly progress reports to DHS on a monthly basis as required by the contract.